Clinton needs to put bloated USDA on a diet

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For Scripps Howard News Service

The U.S. Department of Agriculture will cost taxpayers $62.7 billion this year, or nearly $700 per household.

Created by President Lincoln in 1862 to research new seeds and plants for a nation where 6 out of every 10 workers were farmers, the department has become so bloated it can't even keep track of itself.

Indeed, with the help of Congress and special-interest groups, it has kept growing over the years by adopting missions that have little to do with agriculture.

Its Farmers Home Administration (FmHA), for example, was established to help struggling farmers stay on their land. Today it is a $46.5-billion bank and one of the government's largest lenders.

Besides farmers, its clients include developers and the rural poor. Between 1988 and 1991, it lent $67 million to farmers who were already in arrears. It lent another $38 million to borrowers who'd failed to repay earlier loans; nearly half of them failed to repay the second time as well. In 1991 alone the agency lost nearly $3 billion in bad loans.

When it opened its doors in 1862, the department had nine employees and a $64,000 annual budget. Today, though less than 2 percent of the nation's population live on farms, the USDA has somewhere between 110,000 and 150,000 employees worldwide — nobody seems to know for sure.

George S. Dunlop, a former assistant secretary of agriculture, managed more than 50,000 people while overseeing just two of the USDA's 42 agencies. "I had more people working for me than a half-dozen Cabinet officers combined," he says.

Of course, agriculture continues to be a vital force in our economy, and the Department of Agriculture performs important functions. But does the USDA really need to be so big?

Most USDA employees work out of its estimated 11,000 field offices, a remnant of a bygone era when farmers lacked phones and dependable transportation and needed offices near home. But in today's world of interstate highways, faxes and computers, the far-flung offices are an anachronism.

Even the USDA doesn't know the exact number of field offices. When asked by Sen. Richard Lugar, R-Ind., ranking minority member of the Senate Agriculture Committee, Richard Albertson, assistant secretary for administration, replied, "We have tried to get a straight answer to this question for as long as I have been here. Our staff still cannot give us an accurate number."

The field offices are located in 94 percent of the nation's counties, only 16 percent of which are still considered agricultural. In Nevada there are field offices where there are no fields. Seven separate agencies have offices in Las Vegas, even though there are virtually no farms within 50 miles of the city.

Even the USDA headquarters are symbolically overblown. Spread over 1.4 million square feet with about 5,000 offices, the building has a $3 million mini-mall, complete with a dry cleaner, bookstore, gift shop, barber shop, credit union, food bar and fitness center.

USDA's Agriculture Stabilization and Conservation Service (ASCS) believes its employees are doing such a fine job that it recently shelled out more than $1 million on two employee-award ceremonies.

Meanwhile, improvements are not always being put to full use. Last year the USDA spent about $650 million on new computers and information technology. Yet when General Accounting Office auditors went to the FmHA office in Sherman County, Kansas, to check on the pilot site of the new USDA system, they found the computers sitting idle while staffers kept track of loans from boxes of three-by-five cards. Soon afterward, the department announced plans to spend $2 billion more on computer technology over the next five years.

"We cannot let the USDA throw money down a black hole," says Senate Agriculture Committee Chairman Patrick Leahy, D-Vt. "Now is the time to cut back."

Here's where the Clinton administration might begin:

■ Shut down unnecessary field offices. First to be closed or merged should be 179 ASCS offices that Lugar discovered are spending more on overhead than on helping local farmers. The GAO found that the department could save $90 million a year just by consolidating ASCS field offices.

■ Eliminate duplication. Eight agencies working on biotechnology? Ten handling water quality? Wherever possible, agencies should be combined.

■ Reduce federal involvement in agricultural universities' research: It is little more than a channel for pork-barreling. Besides, states know their own agricultural priorities far better than the federal government does.

■ Dissolve obsolete agencies. Elimination of the Rural Electrification Administration alone would save $2.5 billion a year. Elimination of both the Rural Development Administration and FmHA, which subsidize rural America, would save $8.3 billion. The Market Promotion Program, which spends $200 million on international advertising for U.S. companies, also should be dissolved.

Every time the USDA reinvents itself, the bureaucrats dig deeper into taxpayers' wallets. But why should taxpayers pay $62.7 billion a year to run a department that doesn't even live up to its name?

This article by Daniel R. Levine, a Reader's Digest associate editor, was excerpted from a longer piece in the January issue.